

NEELEMAN LAW GROUP, P.C.
1403 8th Street
Marysville, WA 98270
Telephone: 425.212.4800
Facsimile: 425.212.4802

The Honorable Christopher M. Alston
United States Bankruptcy Court
Chapter 11

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON

In re:

VFX Foam, LLC
Debtor.

Case No. 24-11086

PRE-STATUS CONFERENCE REPORT
PURSUANT TO 11 U.S.C. §1188(c)

COMES NOW the Debtor-in-possession, VFX Foam, LLC (hereinafter “Debtor”) by and through counsel and hereby submits the required pre-status conference report pursuant to 11 U.S.C. §1188 (c). The Debtor states the following:

- 1) On April 30, 2024, the Debtor-in-Possession (herein “Debtor”) filed a voluntary petition for relief under Chapter 11, Subchapter V. The Debtor is operating its business and managing its affairs as a debtor-in-possession under 11 U.S.C. §§ 1107 and 1108.
- 2) The status conference required by 11 U.S.C. §1188(a) has been scheduled for June 27, 2024 at 11:00 a.m.
- 3) The §341 Meeting of Creditors was held on June 6, 2024 at which time the representative of the Debtor, Richard O’Connor, testified about the Debtor and the Debtor’s operations.

Pre-Status Conference Report

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- 1 4) Neeleman Law Group, P.C. filed an ex parte motion for appointment as attorney
2 for the estate on May 29, 2024. The order appointing Neeleman Law Group was
3 entered on May 30, 2024. (Dkt. 32).
- 4 5) The monthly report for the period of April 30, 2024 was filed on May 23, 2024.
5 The next monthly report representing May, 2024 will be filed prior to the status
6 conference.
- 7 6) The Debtor anticipates funding the plan from regular income. The Debtor
8 anticipates generating sufficient income to propose a Plan of Reorganization
9 which will pay all allowed administrative claims, secured claims, priority claims
10 and unsecured creditors.
- 11
12 7) Debtor has restructured its model for payment from its customers to assure
13 feasibility of the plan. The new business structure is requiring a greater deposit
14 up front for each project. This amount covers all of the material costs, as well as
15 an amount sufficient to cover operating expenses until completion of the project.
16 This will allow the Debtor to focus on one project at a time and complete the
17 project on an expedited basis. Debtor will be paid the remaining balance once the
18 projection is completed. The payment of the balance of each project will allow
19 for large payments to creditors under the terms of the anticipated plan.
- 20
21 8) Debtor has scheduled one secured creditor, lease deficiencies for equipment and a
22 rental agreement, priority tax debt , and unsecured debt. The Debtor anticipates
23 proposing a Chapter 11 Plan that will pay the secured creditor the value of its
24 collateral, to cure the lease deficiencies in a reasonable time frame, to pay the
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1 priority debt over the length of the plan, and return a dividend to the unsecured
2 class based on its net disposable income after payment of reasonable expenses.

- 3 9) Debtor has been in contact with counsel for SBA, Debtor's secured creditor.
4 Adequate protection was provided for in Debtor's final cash collateral order.
5 Counsel anticipates continuing discussions with counsel to reach acceptable terms
6 of the anticipated plan.
- 7 10) Debtor is awaiting a proof of claim from the IRS. Counsel will review the claim
8 once filed to determine the amount necessary to be provided for in the plan for the
9 IRS and other priority creditors.
- 10 11) Counsel for the Debtor anticipates discussions with Debtor's landlord and counsel
11 for Global Financial, the lease holder for Debtor's equipment. Counsel believes
12 the parties will be able to reach terms of repayment acceptable to all parties.
- 13 12) The Debtor anticipates timely filing its Plan of Reorganization on or before July
14 29, 2024.

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16 Dated this 13th day of June, 2024

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18 /s/ Jennifer L. Neeleman
19 Jennifer L. Neeleman, WSBA #37374
20 Attorney for Speed Trans, LLC
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